

2007 / Fiscal Year 2008 Priorities

Continued Good Stewardship of Taxpayer Dollars

Governor Blunt is committed to creating a state government that delivers results to the taxpayers of Missouri. The Governor's Fiscal Year 2008 budget includes several initiatives to make state government a good steward of Missourians tax dollars. The budget:

- Limits the number of state employees. For the second year in a row, the Fiscal Year 2008 budget recommends fewer than 60,000 state employees.
- Reduces the number of state employees by 13 as a result of consolidating mail services from a number of state departments into one, centralized location. Centralized mail management will reduce duplicative administrative efforts and produce savings from volume discounts.
- Consolidates facilities management functions of the executive branch into the Office of Administration. Previously, 284 staff were located in various state departments. Beginning in Fiscal Year 2008, these staff will be centralized and opportunities to streamline services will be reviewed. The consolidation will result in savings in energy costs and maintenance operations. Savings will provide additional resources to help maintain the state's investment in its property.
- Includes \$2.4 million to operate a more efficient state vehicle fleet by replacing passenger vehicles with odometer readings in excess of 150,000 miles.

Streamlining State Government

To implement additional recommendations of the Missouri State Government Review Commission and make state government more efficient and effective, Governor Blunt will issue orders to:

- Transfer the Breath Alcohol Program from the Department of Health and Senior Services to the Missouri Department of Transportation.
- Transfer the collection of surplus lines taxes paid by insurance companies from the Department of Insurance, Financial Institutions and Professional Registration to the Department of Revenue.
- Transfer the Crime Victims' Compensation Fund from the Department of Labor and Industrial Relations to the Department of Public Safety.

State Employee Compensation

Missouri state employees continue to improve the efficiency and productivity of state programs. To reward Missouri's outstanding workforce and reduce turnover in critical state positions, the Governor recommends:

- \$74.1 million for a three percent pay raise for all employees.
- \$15 million to recognize the liability of future retiree health care costs. Pre-funding this liability is key to sound financial management, protecting the state's bond rating, and ensuring compliance with Governmental Accounting Standards Board statements.
- \$754,537 to provide raises for critical state positions with high turnover rates.

- Updated maintenance agreements on printers, servers, and copiers, which will save the Division of Facilities Management, Design and Construction (FMDC) approximately \$13,300 annually.
- Eliminated an unnecessary and time-consuming report in the Division of Accounting, saving \$1,000 annually.
- Reduced paperwork in FMDC related to bid documents, saving \$7,500 to \$10,000 annually.
- Entered into a fixed price contract agreement with a natural gas retailer from September to November 2006 that will save taxpayers at least \$767,759.

Estimated Total = \$7,324,559

Department of Agriculture

- Consolidated the Market Information/Outreach and Ag Business Development divisions into one division, saving staff and operating expenses of \$127,953.
- Combined the duties of the Weights and Measures Division under the management of the director of Grain Inspection and Warehousing, saving the state \$73,200.
- Redesigned the annual egg license in the Device and Commodity Inspection Program, saving \$660.
- Moved the State Milk Board from leased space to the department's building, saving \$24,982 in annual lease fees.
- Changed shipping practices for samples sent to the laboratories in the Feed and Seed Program, saving the state \$3,400.
- Took advantage of new cellular telephone plans, saving \$6,600.
- Hired retired employees, on a part-time basis, to fulfill critical functions in the Division of Animal Health, saving \$50,420.

Estimated Total = \$287,215

Department of Corrections

- Consolidated inmate education services, saving over \$1.4 million.
- Eliminated duplicative services being performed by the departments of Corrections and Mental Health, saving \$250,000.
- Utilized existing staff's expertise and knowledge in electronics, particularly for the installation of new fiber optic systems at its facilities. The department will realize a savings of more than \$1 million.

Estimated Total = \$2,650,000

Department of Public Safety

- Highway Patrol - Improved efficiency with key purchases, over \$600,000 in cost and time savings.
- Water Patrol and Fire Safety - Consolidated fueling stations, saving an estimated \$18,000. An additional \$300 per year will be saved by entering into a joint contract for cleaning services.
- Veterans Commission - Saved \$480,011 in veterans' homes throughout the state in only four months.
- Water Patrol - Replaced an outdated computer system used for collecting arrest information and saved \$200,000. The patrol saved another \$175,000 with the completion of a computer-enhanced dispatch system to aid patrolmen while on the waters.
- Highway Patrol - Placed the publication *Patrol News* on the Internet and stopped mailing and printing hard copies, saving \$500 a year.
- Federal Energy Management Program - Conducted an energy audit that identified cost savings opportunities at the Kansas City Armory. A project has been completed to replace the heating, ventilation, and air conditioning (HVAC) system, office lighting, and the addition of building controls is expected to save \$18,000 a year in energy costs.
- National Guard - Contracted to buy natural gas at the Ike Skelton Training Site, saving \$22,000, annually.

Estimated Total = \$1,513,811

Department of Revenue

- Transitioned the state's 11 branch offices into contract offices, saving over \$7 million. \$3.5 million in staff and operating expenditures was saved in the second half of 2006.
- Altered mailing procedures to send postcards as notices for motor vehicle renewals, saving approximately \$500,000.
- Processed non-automated outgoing mail through the University of Missouri, saving more than \$36,000, to date.

Estimated Total = \$11,036,000

Department of Social Services

- Implemented a new fraud and abuse detection system to monitor Medicaid billing, saving \$3 million.
- Increased Children's Division federal administrative reimbursements for child welfare by \$2.6 million, annually.

Estimated Total = \$5,600,000